



General Assembly

February Session, 2012

***Raised Bill No. 5390***

LCO No. 1740

\*01740\_\_\_\_\_PS\_\*

Referred to Committee on Public Safety and Security

Introduced by:  
(PS)

***AN ACT CONCERNING PRECIOUS METALS OR STONES DEALERS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 21-100 of the 2012 supplement to the general  
2 statutes is repealed and the following is substituted in lieu thereof  
3 (*Effective October 1, 2012*):

4 (a) No person may engage in or carry on the business of purchasing  
5 gold or gold-plated ware, silver or silver-plated ware, platinum ware,  
6 watches, jewelry, precious stones, bullion or coins unless such person  
7 is licensed as a precious metals or stones dealer by the licensing  
8 authority of the municipality in which such person intends to carry on  
9 such business; except that the provisions of this subsection shall not  
10 apply to the purchase of such items from a wholesaler by a  
11 manufacturer or retail seller whose primary place of business is located  
12 in this state. Such person shall pay an annual fee of ten dollars for such  
13 license. The license may be revocable for cause, which shall include,  
14 but not be limited to, failure to comply with any requirements for  
15 licensure specified by the licensing authority at the time of issuance.  
16 The licensing authority shall refuse to issue a license under this

17 subsection to a person who has been convicted of a felony and may  
18 require any applicant for a license to submit to state and national  
19 criminal history records checks. If the licensing authority requires such  
20 criminal history records checks, such checks shall be conducted in  
21 accordance with section 29-17a. For the purposes of this subsection  
22 "wholesaler" means a person in the business of selling tangible  
23 personal property to be resold at retail or raw materials to be  
24 manufactured into suitable forms for use by consumers.

25 (b) Any person who wilfully engages in the business of a precious  
26 metals or stones dealer [.] unless licensed in accordance with this  
27 section or after notice that such person's license has been suspended or  
28 revoked [.] shall be guilty of a class D felony.

29 (c) No licensee shall purchase gold or gold-plated ware, silver or  
30 silver-plated ware, platinum ware, watches, jewelry, precious stones,  
31 bullion or coins without receiving proof of the identity of the person  
32 selling the property if such person is not a wholesaler. Such  
33 identification shall include a photograph, an address, if available on  
34 the identification, and an identifying number, including, but not  
35 limited to, date of birth.

36 [(c) Each such licensee shall keep a record in which such licensee  
37 shall note at the time of each transaction a description of the property  
38 purchased and the price paid for them, the name and address of the  
39 person selling the goods and the date and hour any such property was  
40 received. Each such licensee shall demand positive identification from  
41 the person selling the article and the type or form of identification  
42 received shall be noted in the record.]

43 (d) Each licensee shall maintain a record-keeping system deemed  
44 appropriate by the licensing authority in which shall be entered in  
45 English, at the time the licensee purchases any property, a description  
46 of the property and the name, the residence address, the proof of  
47 identity as required by this section and a general description of the  
48 person from whom, and the date and hour when, the property was

49 purchased and in which, if the property does not contain any  
50 identifiable numbers or markings, shall be included a digital  
51 photograph of such property. Each entry in such record-keeping  
52 system shall be numbered consecutively. A tag shall be attached to the  
53 property in a visible and convenient place with a number written on  
54 such tag corresponding to the entry number in the record-keeping  
55 system and shall remain attached to the property until the property is  
56 sold or otherwise disposed of, provided the licensing authority shall  
57 prescribe procedures authorizing the removal of such tags from  
58 property. Such tag shall be visible in the digital photograph required  
59 by this subsection. Any state police officer or municipal police officer  
60 shall have access to the record required to be kept under this section  
61 and may inspect the place where the business is carried on as well as  
62 any [goods] property purchased or received. Any state police officer or  
63 municipal police officer who performs such an examination may  
64 require any employee on the premises to provide proof of such  
65 employee's identity. All records maintained pursuant to this section  
66 shall be retained by the licensee for not less than two years. The  
67 licensee shall maintain a place of business within this state, at which  
68 the [goods] property purchased or received and the required records  
69 shall be available for such inspection.

70 (e) Except as provided in subsection (f) of this section, the  
71 description of any property purchased by a licensee under this section  
72 shall include, but not be limited to, all distinguishing marks, names of  
73 any kind, including brand and model names, model and serial  
74 numbers, engravings, etchings, affiliation with any institution or  
75 organization, dates, initials, color, vintage or image represented.

76 (f) The licensing authority may provide for an exemption from the  
77 requirements of subsection (e) of this section, or establish additional or  
78 different requirements concerning the description of any property  
79 purchased by a licensee, upon consideration of the nature of the  
80 property, transaction or business, including, but not limited to, articles  
81 in bulk lots or articles of minimal value.

82        [(d)] (g) No licensee may purchase any property from a minor  
83 unless such minor is accompanied by a parent or guardian.

84        [(e) Each such licensee may only pay for property received by check  
85 or money order and no cash shall be transferred to either party in the  
86 course of a transaction subject to the provisions of this section. Any  
87 licensee who pays cash or cashes a check or money order shall be  
88 guilty of a class A misdemeanor. No licensee may advertise that he or  
89 she will pay for property received with cash.]

90        (h) (1) Each licensee shall pay for any property purchased or  
91 received only by check or money order and shall not pay cash for any  
92 such property. Any licensee who pays by check shall retain the  
93 electronic copy of such check or other record issued by the financial  
94 institution that processed such check, and such copy or record shall be  
95 subject to inspection in accordance with this section as part of the  
96 record-keeping system.

97        (2) No licensee shall pay or cash any instrument issued by him or  
98 her. The licensee shall indicate on each such instrument the number or  
99 numbers associated with such property in the record-keeping system  
100 required to be maintained pursuant to this section.

101        [(f)] (i) At the time of making any purchase each licensee shall  
102 deliver to the person selling property a receipt containing the  
103 information required to be recorded in subsection [(c)] (d) of this  
104 section, the amount paid for any property sold and the name and  
105 address of the purchaser.

106        [(g) Upon request of the licensing authority each such licensee shall  
107 make a weekly sworn statement, describing the goods received and  
108 setting forth the name and address of each person from whom goods  
109 were purchased, to the licensing authority of each municipality in  
110 which the licensee transacted business that week.]

111        (j) Each licensee shall submit to the licensing authority, weekly, or

112 more frequently as determined by the licensing authority upon  
113 consideration of the volume and nature of the business, a sworn  
114 statement of his or her transactions, describing the property purchased  
115 and setting forth the nature and terms of the transaction and the name  
116 and residence address and a description of the person from whom the  
117 property was purchased. Such statement shall be in an electronic  
118 format prescribed by the licensing authority. The licensing authority  
119 may grant exemptions from the requirement of submitting such  
120 statements in an electronic format for good cause shown. Such sworn  
121 statement shall not be deemed a public [records] record for the  
122 purposes of the Freedom of Information Act, as defined in section 1-  
123 200.

124 (k) No licensee shall sell or dispose of any property acquired in any  
125 transaction in the course of business in less than ten days after the date  
126 of its receipt. Upon the sale or disposition of such property, such  
127 licensee shall, if such property is not sold at retail at the place of  
128 business of such licensee, include a record of such sale or disposition in  
129 the record-keeping system required by this section.

130 (l) Whenever property is seized from the place of business of a  
131 precious metals or stones dealer by a law enforcement officer, the  
132 officer shall give the dealer a duly signed receipt for the property  
133 containing a case number, a description of the property, the reason for  
134 the seizure, the name and address of the officer, the name and address  
135 of the person claiming a right to the property prior to the dealer and  
136 the name of the dealer. If the dealer claims an ownership interest in  
137 such property, the dealer may request the return of such property by  
138 filing a request for such property with the law enforcement agency in  
139 accordance with the provisions of section 54-36a. If the seller of any  
140 property purchased by the dealer is convicted of any offense arising  
141 out of the dealer's acquisition of the property and the dealer suffered  
142 an economic loss as a result of such offense, the court may, at the time  
143 of sentencing, order restitution to the dealer pursuant to subsection (c)  
144 of section 53a-28, which order may be enforced in accordance with

145 section 53a-28a.

146 [(h)] (m) Any person who violates any provision of this section, for  
 147 which no other penalty is provided, shall be fined not more than one  
 148 thousand dollars.

149 Sec. 2. Section 21-46a of the 2012 supplement to the general statutes  
 150 is repealed and the following is substituted in lieu thereof (*Effective*  
 151 *October 1, 2012*):

152 Whenever property is seized from the place of business of a  
 153 pawnbroker [, precious metals or stones dealer or secondhand dealer]  
 154 by a law enforcement officer, such officer shall give the pawnbroker [,  
 155 precious metals or stones dealer or secondhand dealer] a duly signed  
 156 receipt for the property containing a case number, a description of the  
 157 property, the reason for the seizure, the name and address of the  
 158 officer, the name and address of the person claiming a right to the  
 159 property prior to the pawnbroker [, precious metals or stones dealer or  
 160 secondhand dealer] and the name of the pawnbroker. [, precious  
 161 metals or stones dealer or secondhand dealer.] If the pawnbroker [,  
 162 precious metals or stones dealer or secondhand dealer] claims an  
 163 ownership interest in such property, he or she may request the return  
 164 of such property by filing a request for such property with the law  
 165 enforcement agency in accordance with the provisions of section 54-  
 166 36a. If the person who deposited, pledged or sold any property  
 167 received by a pawnbroker [or dealer] is convicted of any offense  
 168 arising out of such pawnbroker's [or dealer's] acquisition, retention or  
 169 disposition of the property and such pawnbroker [or dealer] suffered  
 170 an economic loss as a result of such offense, the court, at the time of  
 171 sentencing, may order restitution to such pawnbroker [or dealer]  
 172 pursuant to subsection (c) of section 53a-28 and such order may be  
 173 enforced in accordance with section 53a-28a.

<p>This act shall take effect as follows and shall amend the following sections:</p>
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Section 1	<i>October 1, 2012</i>	21-100
Sec. 2	<i>October 1, 2012</i>	21-46a

***Statement of Purpose:***

To require precious metals or stones dealers to provide a periodic statement of transactions in an electronic format to the local licensing authority and retain any goods purchased for at least ten days, and to make the requirements applicable to precious metal or stones dealers similar to those applicable to secondhand dealers.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*